

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1945 - SB 1914

May 4, 2020

SUMMARY OF BILL: Authorizes a person to perform the work of various professions regulated under the Department of Commerce and Insurance (DCI) Regulatory Boards, the Department of Health (DOH) Division of Health Related Boards, and the Pest Control Board under the Department of Agriculture (DOA) without any certification, registration, or license if the person enters into a written agreement with a customer that the customer is aware the person is not certified, registered or licensed to perform the work and will not be liable for any work performed.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Multiple state agencies will experience a substantial decrease in licensure and civil penalty revenue and a significant increase in expenditures for lawsuits, loss of federal funding, and additional staff for consumer complaints and investigations for unlicensed activity; however, a precise impact on state or local government on cannot be determined with any reasonable certainty.

Assumptions:

- The proposed legislation is assumed to cause a substantial decrease in licensure revenue to the DOA and the regulatory boards of the DCI and the DOH.
- The regulatory boards in which an exempt occupation is administratively attached to will not be authorized to impose civil or criminal penalties for violations of regulation towards the person performing the unlicensed work.
- Several regulated occupations are subject to federal oversight. Licensing authorities of these occupations are assumed to be subjected to loss of federal funding for regulated programs and legal ramifications for unregulated work performed outside of federal standards.
- The proposed legislation exempts the person performing the unregulated work from any liability arising from the work, unless it was performed with intentional, willful, and malicious conduct.
- The Consumer Affairs Division under the Attorney General and Reporter will require additional staff to accommodate the increase in formal complaints received by consumers.

- A decrease in state revenue and increase in state or local expenditures for lawsuits, loss of federal funding, and additional staff cannot be determined with any reasonable certainty.

IMPACT TO COMMERCE:

Other Commerce Impact – Business expenditures will substantially decrease for persons who decide to perform regulated work without certification. An increase or decrease in legal fees and the cost of work for customers of persons performing regulated work without certification cannot be determined with any reasonable certainty.

Assumptions:

- Business expenditures will substantially decrease for persons who decide to perform regulated work without certification, rule, or licensure requirements.
- The proposed legislation authorizes a party that is not privy to the written agreement to bring action for injuries derived from the written agreement against either party that established the agreement.
- Business expenditures for legal fees could increase for parties of the written agreement if a third party brings action for injuries derived from the work in the written agreement.
- An increase or decrease in cost of work performed under the provisions of this legislation compared to the cost of work performed by regulated persons cannot be determined with any reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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